# GOVERNMENT OF INDIA
# COMMUNICATIONS
# LOK SABHA

UNSTARRED QUESTION NO:3205
ANSWERED ON:19.03.2001
CELLULAR TELEPHONES
ABDUL RASHID SHAHEEN;CHANDRA VIJAY SINGH;MADAN PRASAD JAISWAL;UMMAREDDY VENKATESWARLU

**Will the Minister of COMMUNICATIONS be pleased to state:**

(a) the per call rates charged by cellular telephone operators in the country is higher as compared to international level;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the cellular telephone services have different rates for the different regions in the country;

(d) if so, the reasons therefor;

(e) whether the Government have fixed a maximum limit of charges of the call before granting licence to them; and

(f) if so, the details thereof and steps proposed to be taken by the Government to reduce the monthly rental charges of the said telephones?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) to d): Sir, tariff for Cellular Mobile Telephone Service (CMTS) is fixed by Telecom Regulatory Authority of India (TRAI)The tariff for CMTS comprises of two elements i.e. air-time and rental. In the Telecommunication Tariff Order (TTO), 1999 Standard Tariff Package has been specified for Cellular Mobile Telephone Service. This Standard Tariff Package must always be offered to the subscribers. At present, the Standard Tariff Package specifies Rs. 475/- (monthly rental ) and Rs. 4/- (air-time) per minute for Metros, and Rs. 500/- for monthly rental and Rs. 4.50/- per minute for air-time charge in Telecom Circles. However, Cellular Service Providers generally offer alternative tariff packages in addition to the mandatory standard tariff package, subject to reporting requirement to the Telecom Regulatory Authority of India. The offered tariff packages change frequently depending upon the market situation. The subscriber is free to choose from among all tariff packages including the Standard Tariff Package. It is, therefore, difficult to compare packages offered by the operators in different countries. Another factor which makes a simple comparison difficult is the exchange rate of their national currencies with reference to Dollar.

(e) & (f): Yes, Sir. In the Licence Agreement originally granted to private cellular operators, the ceiling tariff provided for a monthly rental of Rs. 156/-, air-time charges of six calls per minute and in addition applicable charges for use of fixed network. Both the calling and the called Parties have to pay the Air-time charges. Peak and off-peak air-time charges worked out to Rs. 16.80 and Rs. 8.40 per minute respectively at the then prevailing unit call rate of Rs. 1.40/-. Subsequently, TRAI fixed the tariff for cellular service as stated in Parts (a) to (d) above.